

REPORT OF COMMITTEE

ON

Hospital Efficiency,
Hospital
Finance and Economics
of Administration.

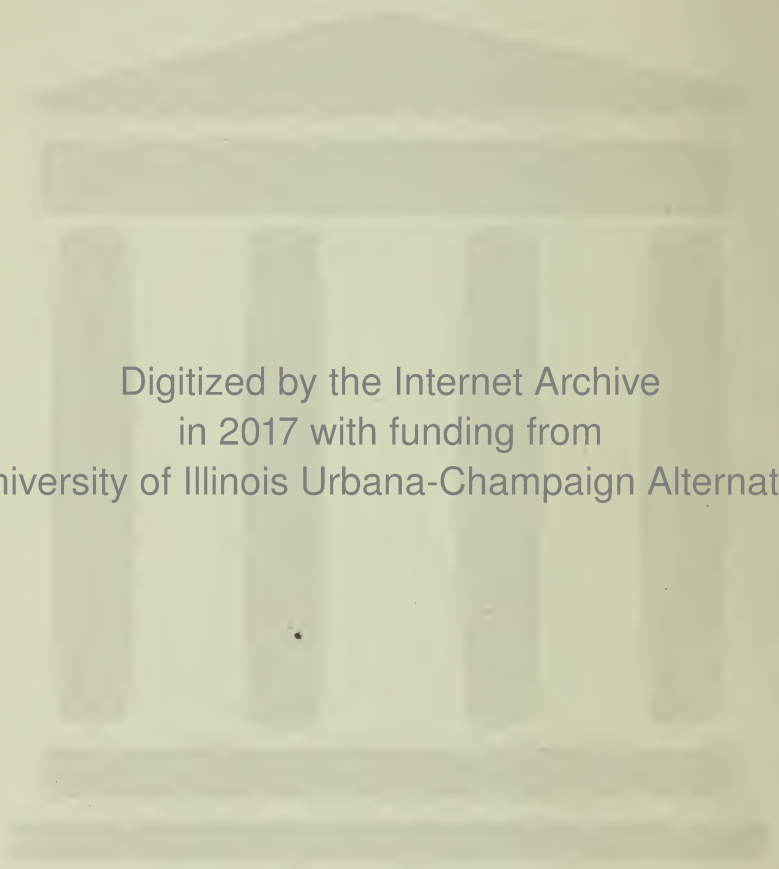
BY

A. S. KAVANAGH, D.D.,

Superintendent of The Methodist Episcopal Hospital,

BROOKLYN, NEW YORK CITY.

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Hospital.



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REPORT OF COMMITTEE ON HOSPITAL EFFICIENCY, HOSPITAL FINANCE AND ECONOMICS OF ADMINISTRATION.

BY A. S. KAVANAGH, D.D.,

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Article 2 of the Constitution of the Hospital Association reads: "The object of this Association shall be the promotion of economy and efficiency in Hospital management."

The program of this and previous conferences has been built around economy and efficiency. "The Foundation of Hospital Efficiency" is one of the specific objects treated at this conference, while all the papers and addresses have discussed some phase of economy and efficiency, I am quite sure it would be difficult to find a more exact definition of efficiency than that which Dr. Chas. P. Emerson gives in his article in "Hospital Management," when he says: "Size is a poor standard by which to judge a hospital. The only correct standard would be that of efficiency in giving each patient the individual care which his case requires."

It is my duty now, by appointment of our President, to survey as far as possible the whole field and make such suggestions as I may deem wise in regard to economy and efficiency. I cannot claim any special fitness for this task, but "such as I have" it is yours for the work sake.

As I began the task assigned me I was very soon impressed by the largeness of my subject, and wished for a broader and more exact knowledge of the interests involved. The hospitals embraced in the membership of this organization are suggestive of the wide field which we must consider. Here are general hospitals for medical and surgical diseases; hospitals for throat and nose; for eye and ear; orthopedic; contagious diseases; city hospitals; and private hospitals.

Some of the particularly noteworthy movements which perhaps are worthy of special mention are the battle against the white plague, and the increasing provision which is being made for those thus afflicted. The movement on foot at Bellevue for the training of midwives. The growth of Social Service work.

Psychopathic clinics are now conducted in connection with the Long Island State Hospital, which makes it possible for a patient to secure the best advice before becoming actually insane. Dr. Doran says that if these clinics had been started long ago thousands of cases of insanity might have been prevented. In Syracuse the City Council has established a Psychopathic Hospital of seven beds for treatment of incipient cases.

New York State has authorized work for inebriates, and the mayor of New York City has appointed a commission to consider this problem.

We must also note with satisfaction the increasing interest that is being taken in the welfare of babies. Much of this is being done in connection with our general hospitals, the greater part by other organizations, or by private enterprise. Perhaps it will not be inappropriate in this connection to mention the work of the Floating Hospitals of the St. John's Guild, N.Y., the new Seaside Hospital, the Boston Floating Hospital, and the hospital work conducted by the New York Association for Improving the Condition of the Poor.

In my judgment, there is scarcely any line of work that is worthy of more serious consideration than that of crippled children. I wish to give emphasis to this work by a quotation from a letter received from Miss C. A. Aikens. She writes: "I would think worthy of note the establishment in Minnesota and Massachusetts state hospitals for crippled children, thus making it possible for every crippled child to be put into the best condition for life, however poor he

may be. New York led the way some years ago, and Pennsylvania and Maryland are pretty well provided for, but there is a very great need that many other states should deal as generously with the crippled child as with the deaf and dumb, or blind child. You cannot realize this need if you have not come up against it as I did in Des Moines where we had not an orthopedic surgeon in the state, and where, if expert work was to be done, a surgeon had to be brought from Chicago at great cost."

Perhaps the finest achievement of the year has been the splendid and successful fight of Dr. A. H. Doty and his assistants against cholera, which a few months ago threatened this city. Every citizen has read this story with a sense of pride; and also with a sense of shame, when they remember the humiliating investigation to which the doctor was subjected in his hour of triumph. Investigations there must be for the public good, but reckless, semi-political attacks upon the good name of a public servant should not be tolerated.

Now this brief survey indicates the vastness of the hospital and kindred fields. The Superintendent should, in a measure at least, be conversant with the entire field. This leads me to emphasize the importance of the literature of the year as an aid to efficiency.

The time was when, according to the acknowledgement of our most experienced Superintendents, they had to blunder along for years while mastering the numerous duties of their offices. While that day has not quite passed for many of us, there is not the same excuse now that there once was for this condition of things.

One book has come from the press during the past year which is indispensable for the young superintendent, and not altogether devoid of profit for the oldest. I refer to "Hospital Management" brought out under the direction of

that suggestive and sane writer upon all hospital matters, Miss Charlotte A. Aikens, and published by W. B. Saunders & Co. The subjects treated, and the names of the writers, suggest the value of the book.

"The American Hospital Field" is treated by Dr. Chas. P. Emerson; "The Board of Managers and their Responsibilities," by E. S. Gilmore; "The Superintendent," by Geo. P. Ludlum; "The Medical Service of a Hospital," by Dr. Henry M. Hurd; etc.

Then there are other indispensable publications such as "The International Hospital Record;" "The Trained Nurse and Hospital Review;" and "The Canadian Nurse and Hospital Review;" while the annual proceedings of the American Hospital Association cover practically every phase of hospital work.

Scarcely second to these would I place carefully written reports. I do not mean reports which are chiefly statistical tables, containing only the diseases that the "flesh is heir to." I mean reports which in addition to the various tables give the actual history of the year,—the improvements; the work done; administration, medical, surgical and nursing.

I am glad to acknowledge my indebtedness to such reports in trying to form and realize correct ideals in my own work.

In the next place I wish to say there can be no economy or efficiency worth while without careful and exact business methods. It is well known that the public is sceptical of the business methods of charitable institutions, both public and private.

When Hon. Bird S. Coler became the first comptroller of the united cities which form Greater New York, he changed the unbusinesslike graft cultivating method of giving lump sums to private institutions, to the per capita meth-

od,—a change which put some institutions out of commission at once. To-day the city authorities are scrutinizing every dollar expended for charitable purposes. To this no honorable institution should object.

As to business methods, our private institutions, if possible, should be in advance, rather than behind, public institutions. They are supported by the voluntary gifts of the public, and must by their business method, as well as scientific work, command the respect and confidence of the public.

It was this ambition that led this organization some few years ago to adopt the uniform method of accounting, which originated with four of our largest hospitals in this city. Now the best thing about this method of accounting is not that it aids one in making a comparison between hospitals engaged in the same sort of work, or between their own and some other hospital. Sometimes these comparisons have but little meaning, because conditions are not the same. The best thing about the system is that it enables one to make a comparison between their own hospital of a few years ago and now; between their income and expense account of any month, or any year; with the present month, or the present year.

It is the same business spirit that prompted the organization of the Central Purchasing Agency in New York, which is of use in standardizing supplies, and which has possibly secured better prices for some articles, but which, more than anything else, demonstrated what good terms the hospitals had secured when acting as their own agent.

The same spirit should lead to watchfulness against the loss of money through the loss of time (for time is money), or through the lapping of the duties of employees.

It will be found conducive to the efficiency of each department, and of the entire hospital, and good business as well, to keep an accurate time record of every employee of

the hospital. About six months ago we installed a time clock by which each employee, including the superintendent, supervisor of nurses, and everybody down to the scrub-woman, is his or her own timekeeper, and practically determines the exact wage that he or she will receive. The head of each department also prepares a pay-roll for their department, and if their pay-roll does not agree with the time clock cards, explanations will be in order. Thus the time cards tone up not only each individual employee, but the department heads as well.

Another thing that will add materially to the economical management of each department is this. The superintendent should so plan his work that he can be his own purchasing agent. Nothing from a box of matches to an operating outfit should be ordered except over his signature. In a large institution this might seem impossible, but not so if he has a good secretary who has the business well in hand; has the prices previously paid; lists of goods purchased, and where.

Together with the purchasing should be considered the distribution of goods. In my hospital we have requisition slips with blanks for goods desired, and for the goods on hand of the same kind, and for the goods delivered. This requisition slip is signed by the head nurse, O.K.'d by the supervisor of nurses, and then sent to the storekeeper. When returned to a floor the head nurse signs for the articles received. Then the slip comes to my office, where the ward is credited with the goods received. The pharmacist has a similar method of keeping track of medicines. In this way we know where the supplies are going.

As to the financial loss which comes through breakage and waste, I can add but little to what we have heard many times. I think the plan adopted by many hospitals of insisting that all broken or worn articles, crockery, furniture, general and treatment utensils, must be returned with requisition for a new supply, is an excellent plan.

In order to keep a close watch over the waste, the plan which we are using is this. We have six receptacles for refuse in our crematory room. Each of these receives the refuse of different parts of the hospital, and is under lock and key. There is a daily inspection of these receptacles, and if anything improper comes down we know where it has come from, and act accordingly.

Dr. H. T. Summersgill, Superintendent of the New Haven Hospital, writes along the same line. He says: "I have found much waste can be prevented by routine inspection of broken crockeryware and other articles which have been condemned or broken. I have a room fixed up adjacent to the storeroom; in there is placed and labelled one good-sized barrel for each ward and each department. A hole six inches in diameter has been cut in the door so that the contents of these barrels can be observed from the outside. In these barrels are placed the breakage from each ward and each department, the one breaking the article being obliged to put label on it with name and date. If a nurse in charge of a ward has an unusual amount of breakage in a month, she is brought to account for poor management. If, on the contrary, a nurse has done very well and been careful in her management, she receives proper credit for it. All our instruments for ward dressings are now sterilized by steam in our operating-room building instead of the custom in use in most institutions where they are sterilized by gas in each ward."

Knowing the many-sidedness of hospital work, I thought I would like some of my friends to help me; accordingly, I addressed about one hundred members of this Association, asking them to give their fellow-workers the benefit of their experience by writing for this Round Table part of my paper any feature of their work which was particularly successful during the past year. This opened a wide door, as we in-

tended it should, and I received many exceedingly suggestive replies which I now bring to you in this Round Table part of my paper.

We have been discussing business methods of organization. Several of my correspondents have something of value to say concerning this subject.

Miss Louise C. Brent, Superintendent of the Hospital for Sick Children, Toronto, writes: "One of the successful features that has aided the efficiency of the hospital administration, is that each department has a head, who is responsible to the superintendent for the work of his, or her department, from the superintendent of nurses to the caretaker of the building. This may not be exactly a new feature, but we have found it an entirely satisfactory one.

Dr. Clarence E. Skinner, of the Elm City Private Hospital, also gives emphasis to the same fact which, he says, "conduces very greatly to the efficiency of service and economy of financial management."

Mrs. A. M. Lawson, Superintendent of the General Memorial Hospital, writes: "The fact that heads of our departments report to the superintendent, and not to committees, or sub-committees, makes the executive work run more smoothly."

Miss Nancy E. Cadmus, Superintendent of the Manhattan Maternity and Dispensary, speaking of the employment of a resident physician and his duties, says: "He is simply a head of a department the same as the principal of nurses, housekeeper, or engineer."

These quotations are sufficient, I think, to make clear the position of the superintendent in any efficient plan of hospital organization. He is the connecting link between the board of managers and each department of the hospital. If the board of managers treats him with the consideration that his position should have, he will be their representative in all details of administrative work.

From many letters it is evident that the nursing question is still open for discussion.

Dr. Renwick R. Ross, Superintendent of the Buffalo General Hospital, requests that we discuss the "special nursing of private patients twelve or twenty-four hour system." I suppose by right that should go to the question box, but I will say this. In my hospital we have no difficulty with the matter. When nurses are on private duty outside the hospital they frequently take twenty-four hour cases; whether in the majority or minority of cases, I do not know.

Now it is easier to nurse in the hospital than outside. The attending physician and supervisor of nurses determine whether the patient should be a twelve or twenty-four hour case. The nurse that will not take a twenty-four hour case under these condition will not be permitted to come in and take a twelve-hour case.

Others write concerning the scarcity of nurses, intimating that herein is a great hindrance to hospital efficiency, and these reports come from all parts of the country. Here in New York the difficulty is felt with very great keenness. The desire to improve the quality of nursing by securing for our training schools reasonably well-educated young women is appreciated by every one who has had occasion to have a trained nurse in his own family.

But the Board of Education in New York State, which has practically unlimited powers under a loosely-drawn State law, has pushed matters so far that the greater part of the hospitals in Greater New York City have memorialized the Board of Regents of the State protesting against the present methods of the Education Department in dealing with the hospitals of the city.

If other states are pressing matters as New York State is, it is easy to understand the reason for the shortage of nurses. The course in this State is legally two years, but those who prepare the curriculum believe in three years,

and in three years only, and prepare the curriculum accordingly. Now it is perfectly evident that many a girl falls out in the midst of her course because of the crowding which is necessary in order to master the various studies, even though she had three years to complete them.

Then again the demand which requires one year of high school, or its equivalent, places a premium upon the intellectually and physically unfit. Girls who are unable to pursue their studies beyond one year in high school fail for physical or intellectual reasons. As a rule, the grammar school graduate is the equal, and in some cases superior to the girl with one year of high school to her credit.

It was natural that superintendents should write concerning material improvements.

Mr. Asa Bacon, Superintendent of the Presbyterian Hospital, Chicago, tells of the expenditure of nearly \$800,000 in improvements, and no deficiency for four years.

Dr. W. T. Graham, Superintendent of the Methodist Hospital in Indianapolis, tells of the expenditure of \$125,000 in new buildings, and of plate glass partitions between each crib.

The Beth-El Hospital, of Colorado Springs, Miss Florence E. Standish, Superintendent, has expended \$35,000 in the erection of new buildings. The money was raised by issuing six per cent. bonds. Then an agent was put in the field to raise the money who is meeting with success. I notice she mentions a paid anæsthetist.

Mrs. Jennie L. Bassett, Superintendent of New Britain General Hospital, writes of a new operating building costing \$25,000, and of plans for a new private building. She asks: "Will some one kindly tell me the best finish for hospital floors; and how to prevent the awful waste of food from patients' trays?" I have read Mrs. Bassett's question chiefly because it illustrates for all of us the first essentials to efficiency—to detect and feel keenly the need of improvement.

The New York Hospital, Dr. Thos. Howell, Superintendent; The New York Society for the Relief of the Ruptured and Crippled, Mr. Oliver H. Bartine, Superintendent; The Presbyterian Hospital, are about to change their locations, and are planning for even larger things in the future than in the past.

The New York Post-Graduate School and Hospital, Dr. Fred Brush, Superintendent, is bringing to completion buildings which will increase their bed capacity from 200 to 400.

The Methodist Episcopal Hospital, in Brooklyn, N.Y., has recently spent \$100,000 in improvements.

The Indianapolis City Hospital, Dr. J. L. Freeland, Superintendent, is rejoicing over \$110,000 received from the city for new buildings. He also reports a legacy of \$225,000, and confesses to inside information as to \$700,000 more coming from a living donor.

There are only two things better than legacies—a gift during one's lifetime, so that he can have the pleasure of seeing it at work; or a gift upon which the hospital may pay a moderate annuity during the life time of the donor. Either of these methods will defeat the purpose of the legacy chaser—for there are legacy chasers as well as ambulance chasers.

The Rev. Geo. F. Clover, Superintendent of St. Luke's Hospital, this city, tells us of the appointment of nurses as anæsthetists at his hospital, and he adds: "We have gone far enough to feel that it is a step in the right direction."

They have also set apart a special building for the housing of the help in which each person has a small room. This arrangement gives satisfaction to a majority of the servants. "But," he states, "we have found, however, a few servants who felt so lonely and fearful over going to single rooms that they put in a request that they might be allowed to return to club rooms with several other servants."

Concerning floors he writes, and this may be of interest to Mrs. Bassett and others: "A combination tile and linoleum floor which I laid nearly a year ago has proven to be quite excellent, and it appeals to me as rather the best thing yet done in the way of flooring."

Dr. Wm. O. Mann, Superintendent of Massachusetts Homœopathic Hospital, Boston, tells of a new \$150,000 building for Clinical Research and Preventive Medicine. In this building there will be an auditorium for public lectures along the lines of preventive medicine. This, perhaps, might be considered unique in hospital work.

Miss Mary H. Riddle, Superintendent of Newton Hospital, Newton, Mass., writes: "This is one of the hospitals in which both schools of medicine practice without friction." Perhaps that might be a good cure for hospital friction."

Under the by-laws of the Methodist Hospital in Brooklyn all schools can treat their patients in our private beds. To treat surgical cases, it is necessary that outside physicians must be on the surgical staff of some reputable hospital.

Dr. A. W. Smith, Superintendent of Hartford Hospital, Hartford, Conn., writes: "We allow our staff or any reputable physician to send in cases to private rooms and take care of them."

Mr. Reuben O'Brien, Superintendent of the Manhattan Eye and Ear Hospital, says that nothing adds to hospital efficiency like an experienced woman in charge of the kitchen.

Miss Margaret Moran, Superintendent of the Macon Hospital, Macon, Ga., writes concerning the success of the newly installed signal light system. Any system that will do away with noisy call bells will soon find its way into all of our hospitals.

Dr. C. I. Fisher, Superintendent of the Presbyterian Hospital in this city, writes a most valuable letter concerning the relation of the Superintendent to the House Staff in regard to their relations to patients outside strictly professional mat-

ters. He says: "For many years I have taken note of the various incidents, accidents, etc., which have brought discredit to the hospital through the attitude and behavior of the House Physician and Surgeons. As soon as we have graduated our House Physicians and Surgeons and the seniors come to take their places, I get these men together and tell them about these things which have happened, how they discredit the hospital, and how they could and should have been handled differently.

The ambulance men have, through ignorance and sometimes over-confidence and lack of tact, caused us considerable trouble. I get these men together of an evening and tell them all the things that have happened, what surprises are likely to come to them, and show them how they can handle these and bring credit rather than discredit to the hospital.

The men who examine patients for admission to the hospital, have in themselves great possibilities for good or evil, particularly evil. I have an evening with these men, and tell them the things that have happened, and along what ilnes there are peculiar dangers in admitting or not admitting certain classes of cases. We have a good talk together, perfectly informal, and they ask me questions. I am sure that in these talks, I have saved the hospital a great deal, and prevented things happening which would have been exceedingly unpleasant.

I endeavor to accomplish similar things with our nurses, though not in quite the same way.

There is another question to which I would invite your attention. Dr. Fisher presented a paper on a very practical subject last year at St. Louis, and it seems to me we should not allow it to be forgotten. He made a plea for more ample provision for the great middle class who are neither rich nor poor. They do not wish charity, neither can they afford luxurious accommodation, nor large surgical fees



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Here, however, is a danger: while the hospital may plan for this class of patients even at a loss, yet the surgeons' fee may be just as large as if the patient was cared for in a private room with a single bed. Indeed the fee may be larger because of reduced hospital charges.

Dr. Fisher well said that "it will be necessary to place about it such regulations as will safeguard it from any effort of the parsimonious rich to obtain use of these rooms, or of attending physicians or surgeons to put into them those wealthy patients who should pay the price of the more expensive service." The fees for these rooms should be very moderate and definitely fixed.

I think there has been no more practical deliverance than this for some time. And it seems to me that the matter should not be allowed to stop there. I wish that it might be taken up by our hospital journals and discussed, and that our superintendents might be prevailed upon to report through these journals their plans for the care of this class of patients, rates, fees, etc.

In bringing this paper to a conclusion permit me to congratulate the committee on the non-commercial hospital exhibit, on the excellent display which they have made, which I am quite sure will be conducive to economy and efficiency of hospital administration.

PRESIDENT: I am sure we are all very grateful to Dr. Kavanagh for his excellent resume of the work of the year in the different hospitals of the country. To me it has been very illuminating.